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265 Franklin Street, Sixth Floor  
Boston, MA 02110-3113

BY FAX AND U.S. MAIL

RE: Boston Edison Company, D.T.E. 03-117-A (Phase II)

April 13, 2004

Dear Mr. Werlin:

Enclosed please find the Department's second set of information requests on the above-captioned matter. Responses should be filed on or before April 27, 2004. If you have any questions, please feel free to contact me at (617) 305-3620.

I have also enclosed ground rules to this proceeding and the procedural schedule.

Sincerely,

William H. Stevens, Jr.  
Hearing Officer

cc: Mary Cottrell  
Staff as assigned  
Judith Laster, Assistant Attorney General

Encl.

SECOND SET OF INFORMATION REQUESTS OF  
THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY TO  
BOSTON EDISON COMPANY, D.T.E. 03-117-A

Pursuant to 220 C.M.R. 1.06(6)(c), the Department of Telecommunications and Energy ("Department") hereby submits to Boston Edison Company the following information requests with respect to the above captioned matter.

**Instructions**

The following instructions apply to this set of information requests and all subsequent information requests issued by the Department to Boston Edison Company in this proceeding.

1. "BECo" or "Company" means Boston Edison Company, its officers, directors, employees, consultants, and attorneys.
2. "Company Filing" or "Filing" means all the documents BECo filed in this proceeding.
3. Each request should be answered in writing on a separate page with a recitation of the request, and with a reference to the request number, the docket number of the case, and the name of the person responsible for the answer. Please submit all responses on three-hole punched paper.
4. Please do not wait for all answers to be completed before supplying answers, but instead please provide the answers as they are completed.
5. These requests shall be deemed continuing so as to require further supplemental responses if the Company or its witnesses receives or generates additional information within the scope of these requests between the time of the original response and the close of the record in this proceeding.
6. The phrase "provide complete and detailed documentation" means provide all data, assumptions, and calculations on which the response relies; provide the source of and basis for all data and assumptions employed; include all studies, reports, and planning documents from which data, estimates, or assumptions were drawn and support for how the data or assumptions were used in developing the projections or estimates; and provide and explain all supporting workpapers.
7. The term "document" is used in its broadest sense and includes, without limitation, writings, drawings, graphs, charts, photographs, phono-records, microfilm, microfiche, computer printouts, correspondence, handwritten notes, records or reports, bills, checks, articles from journals or other sources, and other data compilations from which information can be obtained, and all copies of such documents that bear notations or other markings that differentiate such copies from the original.

8. If the Company finds that any of these requests is ambiguous, please notify the hearing officer so that the requests can be clarified prior to the preparation of a written response.
9. Please serve a copy of the responses on Mary Cottrell, Secretary of the Department. Please also submit the responses directly to: (1) William Stevens, Legal Division; (2) Mark Barrett, Rates and Revenue Requirements Division; (3) Claude Francisco, Rates and Revenue Requirements Division; and (4) Sean Hanley, Rates and Revenue Requirements Division.

**COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

SECOND SET OF INFORMATION REQUESTS OF  
THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY TO  
BOSTON EDISON COMPANY, D.T.E. 03-117-A

Pursuant to 220 C.M.R. 1.06(6)(c), the Department of Telecommunications and Energy ("Department") hereby submits to Boston Edison Company ("BECo") the following information requests.

- DTE-2-1      Please provide the following for all purchased power contracts that were used to supply BECo's standard offer service load during calendar year 2003: the name of the supplier, the effective date and the closing date, and BECo's entitlement.
- DTE-2-2      Please provide the following for all purchased power contracts that will be used to supply BECo's standard offer service load during calendar year 2004: the name of the supplier, the effective date and the closing date, and BECo's entitlement.
- DTE-2-3      Please provide copies of all purchased power contracts that BECo has entered into in order to supply BECo's standard offer service for 2003, other than those pre-retail access purchased power contracts. Include a copy of Department approvals of these contracts. In addition:
- (a)      explain the pricing terms;
  - (b)      explain the difference between the 2003 contracts for standard offer service and the 2002 contracts; and
  - (c)      describe how BECo's 2003 standard offer services were procured (If the Company procured these services through an RFP, please provide copies of the original RFPs and a list of RFP recipients).
- DTE-2-4      Please provide copies of all purchased power contracts that BECo has entered into in order to supply BECO's standard offer service for 2004, other than those pre-retail access power purchase contracts. Include a copy of Department approvals of these contracts. In addition:
- (a)      explain the pricing terms;
  - (b)      explain the difference between the 2004 contracts for standard offer service and the 2003 contracts; and
  - (c)      describe how BECo's 2004 standard offer services were procured (If the Company procured these services through an RFP, please provide copies of the original RFPs and a list of RFP recipients).
- DTE-2-5      Refer to Exh. BEC-JFL-4 (Supp), at 3 of 6. For each of the NUG costs listed in this exhibit, please provide the average cost per KWH for each unit, each month including total cost.

- DTE 2-6 Refer to Exh BEC-JFL-6 (Supp) at 3 of 6. For each of the NUG costs listed in this exhibit, please provide the forecasted average cost per KWH for each unit and for each month including total cost.
- DTE 2-7 Please provide BECo's total standard offer service load served in 2003 in GWH and break down the total load into the contracts used to serve the load. For each contract listed, provide the total GWH purchased to serve BECo's 2003 standard offer service load, and indicate what percentage of the total load was provided by the contract.
- DTE 2-8 Please provide BECo's most recent forecast of its total standard offer service load to be served in 2004 in GWH and breakdown the total load into the contracts used to serve the load. For each contract listed provide the total GWH forecasted to be purchased to serve BECo's 2004 standard offer service load and what percentage of the total load is forecasted to be provided by the contract.
- DTE 2-9 Irrespective of the Settlement transfer price established in Boston Edison Company, D.T.E. 98-111/99-107 (1999), and assuming the Company had implemented a standard offer service fuel adjustment that set the total standard offer rate at 6.323 cents per KWH, are the forecasted costs to serve BECo's 2004 standard offer service load greater than the revenues that would be collected based on BECo's 2004 forecasted load? If yes, explain why BECo chose not to implement a standard offer service fuel adjustment charge in 2004.
- DTE 2-10 Refer to Exhibit BEC-JFL (Supp) at 2 of 6, Line 14. Please explain how BECo established the Settlement Transfer Price at 4.468 cents per KWH for 2004. Provide a copy of all supporting documents and calculations that support your answer.
- DTE 2-11 In reference to Exhibit BEC-JFL (Supp) at 2, please provide a copy of the "Standard Contract" entered into between the U.S. Department of Energy ("DOE") and the Company.
- DTE 2-12 In reference to Exhibit BEC-JFL (Supp) at 3, please provide any estimates with supporting schedules of the "diminution of the market value of Pilgrim" as a result of the failure of DOE to meet its obligations under the Nuclear Waste Policy Act of 1982 ("NWPA") and the Standard Contract.
- DTE 2-13 In reference to Exhibit BEC-JFL (Supp) at 3, please provide any estimates with supporting schedules for the increased costs incurred by the Company in storing and maintaining spent nuclear fuel as a result of the failure of DOE to meet its

obligations under the NWPA and the Standard Contract.

- DTE 2-14 In reference to Exhibit BEC-JFL (Supp) at 3, please elaborate on the statement that “[I]n the event that the Company is awarded future damages, its customers would receive the benefit.” Provide a list of those benefits that the Company expects to pass on to its customers.
- DTE 2-15 In reference to Exhibit BEC-JFL-2 (Supp) at 7, please provide a copy of the invoice for each of the listed expense items.
- DTE 2-16 In reference to Exhibit BEC-JFL-1 (Supp) at 2, please describe with supporting workpapers how the Company determined the unbilled GWH volumes shown in lines 8 through 13. Provide supporting documentation for the indicated per book values for residential, industrial, and commercial customers.
- DTE 2-17 For each item shown in Exhibit BEC-JFL-2 (Supp) at 4, please describe the listed property and explain the reasons for the sale. Also, provide supporting documentation for the indicated book value, sale proceeds, and transaction costs.
- DTE 2-18 In reference to Exhibit BEC-JFL-2 (Supp) at 5 of 7, please provide a similar schedule showing data for years prior to 2003.
- DTE 2-19 In reference to Exhibit BEC-JFL-2 (Supp) at 6, please provide:
- (a) a copy of the Bank of New York December 2003 statement showing the 2003 ending securitization account balance;
  - (b) a copy of supporting documentation indicating how the 2003 principal and interest payments shown in columns B and C, were determined;
  - (c) a schedule indicating how the 2003 actual interest earned shown in column D, was determined.
- DTE 2-20 In reference to Exhibit BEC-JFL-3 (Supp) at 2, Line 1, please explain with supporting documentation how the Company determined the monthly transmission revenue requirements for year 2003.
- DTE 2-21 In reference to Exhibit BEC-JFL-3 (Supp) at 2, line 2, please provide all supporting documentation for the monthly “RNS” revenues received from “NEPOOL” for year 2003.
- DTE 2-22 In reference to Exhibit BEC-JFL-3 (Supp) at 2, line 6, please describe with supporting documentation how the Company determined the monthly retail load ratios for year 2003.

- DTE 2-23 In reference to Exhibit BEC-JFL-3 (Supp) at 2, line 8, please describe with supporting documentation how the Company determined the monthly “SCADA” revenue requirements for year 2003.
- DTE 2-24 In reference to Exhibit BEC-JFL-3 (Supp) at 2, line 9, please provide all supporting documentation for the monthly “SCADA” revenues received for year 2003.
- DTE 2-25 In reference to Exhibit BEC-JFL-3 (Supp) at 2, line 10, please describe with supporting documentation how the Company determined the “LNS” transition adjustment for the months of January, February and March 2003.
- DTE 2-26 In reference to Exhibit BEC-JFL-3 (Supp) at 2, lines 11-13, 15 please describe each of the following cost items and provide supporting documentation on how the indicated monthly amounts were determined:  
(a) Retail RNS Cost;  
(b) Retail Schedule & Dispatch Cost;  
(c) Retail Congestion Management Cost; and  
(d) System Restoration and Planning Cost.
- DTE 2-27 In reference to Exhibit BEC-JFL-3 (Supp) at 2, line 14, please describe with supporting documentation how the “OATT Prior Year True-Up” of \$2.426 million, indicated for September 2003, was determined.
- DTE 2-28 In reference to Exhibit BEC-JFL-3 (Supp) at 2, lines 19-26, please provide a schedule that shows the monthly transmission revenues (including unbilled revenues) from each of the Company’s rate class including rate WR.
- DTE 2-29 Please provide a schedule that shows for year 2003, BECo’s actual transmission expense, the allocator used to collect the expense from each rate class (including rate WR), the percentage of the transmission expense allocated to each rate class, each rate class’ actual KWH sales, and each rate class’ transmission charge.
- DTE 2-30 In reference to Exhibit BEC-HCL, at 8, line 17, please verify the ratio “(i.e.,  $0.679/0.751 = 1.136$ )” and describe how such a ratio was applied to adjust the “current average transmission charges for individual rate schedules.”
- DTE 2-31 Are any of the expenses that the Company proposes to recover through its transmission charge, costs that are incurred by Boston Edison outside of a FERC-approved rate? If yes, please identify the expense, describe what service

is provided, and explain why recovery should be allowed through the transmission charge. Please provide a copy of all workpapers that support your answer.

- DTE-2-32 Please describe what costs were removed from transmission pursuant to the implementation of the Federal Energy Regulation Commission's standard market design ("SMD") in March 2003. How are those costs from transmission currently being collected? Please provide all supporting calculations, schedules and working papers.
- DTE-2-33 The 2002 reconciliation settlement provided that BECo would mitigate, to the maximum extent practicable, the costs incurred in relation to the purchased power agreement with Hydro Quebec, and report the results of those mitigation activities in its next reconciliation filing. D.T.E. 01-78 (Phase II) at 4 (2002). Please indicate the level of 2003 costs incurred in relation to the purchased power agreement with Hydro Quebec. What steps did the Company take to mitigate those costs to the maximum extent possible? Please provide all supporting calculations, schedules and working papers.